

# EXHIBIT 1

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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
HONORABLE MARIANA R. PFAELZER, JUDGE PRESIDING

IN RE COUNTRYWIDE FINANCIAL )  
CORPORATION SECURITIES ) No. CV 07-05295 MRP (MANx)  
LITIGATION. )  
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REPORTER'S TRANSCRIPT OF  
MOTION FOR FINAL APPROVAL OF PROPOSED SETTLEMENT AND  
ALLOCATION OF NET SETTLEMENT FUNDS  
AND  
PETITION OF LEAD COUNSEL FOR LEAD PLAINTIFFS FOR AN AWARD OF  
ATTORNEY'S FEES AND REIMBURSEMENT OF EXPENSES  
LOS ANGELES, CALIFORNIA

FRIDAY, FEBRUARY 25, 2011; 1:06 P.M.

LEANDRA AMBER, CSR 12070, RPR  
OFFICIAL U.S. DISTRICT COURT REPORTER  
312 NORTH SPRING STREET, # 408  
LOS ANGELES, CALIFORNIA 90012  
www.leandraamber.com  
(213) 894-6603

1 the members of the class as a result of the SEC's action  
2 against and settlement with Defendants Mozilo, Sambol, and  
3 Sieracki. I applaud that conclusion.

4 The Court also looked and thought about on many  
01:16:23 5 occasions the strength of the plaintiffs' case and the  
6 problems they would face if the litigation goes on.

7 I agree with Mr. -- with what Mr. Hennigan said.  
8 This is a very big case. And while it struck me as being one  
9 that would move along efficiently, I never underestimated how  
01:16:51 10 large it would become. It became very large indeed.

11 And the Court has acknowledged that -- on several  
12 occasions that the issues that were raised by defense,  
13 particularly with respect to loss causation and damages, gave  
14 both the Court -- and I would think a jury in particular --  
01:17:21 15 considerable obstacles to the plaintiff's recovery.

16 Both parties have respected expert witnesses, as  
17 Mr. Bernstein pointed out, that will each present, if the  
18 matter goes to trial, conflicting testimony about the effect  
19 of Countrywide's corrective disclosures on Countrywide's  
01:17:42 20 share price.

21 I agree with what you said for the defense. It was  
22 a -- particularly the class period covers a very chaotic  
23 period of time in the market and in the economy that created  
24 a tremendous amount of uncertainty in the case whether -- and  
01:18:22 25 to what extent a jury would find -- would be able to agree on

1 liability and, if so, what conclusion would they reach  
2 regarding the extent of the plaintiffs' damages.

3 With respect to the individual defendants and KPMG,  
4 the plaintiffs face the risk that the jury would not find the  
01:18:51 5 required scienter under the law, likewise the outside  
6 director defendant and Countrywide's former president,  
7 Sanford Kurland, had or would have before a jury viable due  
8 diligence defenses.

9 We hadn't quite gotten to that, but they would have  
01:19:11 10 those defenses, and they indicated that they would put them  
11 on.

12 There can't be any disagreement amongst you all  
13 that the litigation, though it might have seemed only lengthy  
14 at first, became very complex and expensive. It's very, very  
01:19:41 15 expensive to litigate a case like this. I underestimated  
16 myself what it would cost.

17 The defendants submitted a voluminous summary  
18 judgment briefing which was of a very high quality. And if  
19 the case were to proceed, the plaintiffs would have been  
01:20:02 20 required to submit lengthy opposition briefs in response to  
21 the motions followed by replies by the defendants, which the  
22 Court has no doubt would be comprehensive and would cost  
23 a tremendous amount of money.

24 It would take, I think, months to complete briefing  
01:20:22 25 and argument on those motions and for the Court to resolve

1 sophisticated, and they have a large stake in the outcome.  
2 The lead plaintiff supports this petition for fees and  
3 expenses. They are satisfied. And the Court has confidence  
4 in their ability to protect the interests of the class.

01:38:49 5 Finally, and I'll conclude this by saying that  
6 I recognize how vigorously contested every issue in this  
7 litigation has been thus far and the fact that counsel have  
8 risked the possibility that they would secure little or no  
9 return on their contention investment in the case.

01:39:11 10 I've got to say that at the beginning I was  
11 skeptical about some of the arguments made about the state of  
12 the market and the economy in the period of time we're  
13 looking at. I am -- I have changed my mind about that.

14 This is one -- when I rode on at first on this  
01:39:41 15 period of time, I was very unwilling to listen to those  
16 arguments. But since then, they have been so handled in such  
17 a widespread manner no one can contest what that period of  
18 time was like.

19 So I will conclude that the request is reasonable  
01:40:12 20 for the fees and expenses under the PSLRA and the Ninth  
21 Circuit precedent, and I will sign the proposed order.

22 Now, is there anything else?

23 Anyone who is a participant in this settlement  
24 should be assured that this has been thus far a real fight,  
01:40:52 25 a real legal fight, and we have a lot more to learn about the

CERTIFICATE OF REPORTER

COUNTY OF LOS ANGELES )  
 ) ss.  
STATE OF CALIFORNIA )

I, LEANDRA AMBER, OFFICIAL FEDERAL COURT REPORTER, REGISTERED  
PROFESSIONAL REPORTER, IN AND FOR THE UNITED STATES DISTRICT  
COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, DO HEREBY  
CERTIFY THAT PURSUANT TO SECTION 753, TITLE 28, UNITED STATES  
CODE, THE FOREGOING IS A TRUE AND CORRECT TRANSCRIPT OF THE  
STENOGRAPHICALLY REPORTED PROCEEDINGS HELD IN THE  
ABOVE-ENTITLED MATTER AND THAT THE TRANSCRIPT PAGE FORMAT IS  
IN CONFORMANCE WITH THE REGULATIONS OF THE JUDICIAL  
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DATE: \_\_\_\_\_

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